

110TH CONGRESS
2D SESSION

H. R. 4008

IN THE SENATE OF THE UNITED STATES

MAY 14, 2008

Received

AN ACT

To amend the Fair Credit Reporting Act to make technical corrections to the definition of willful noncompliance with respect to violations involving the printing of an expiration date on certain credit and debit card receipts before the date of the enactment of this Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Credit and Debit Card
5 Receipt Clarification Act of 2007”.

6 **SEC. 2. FINDINGS; PURPOSE.**

7 (a) FINDINGS.—The Congress finds as follows:

8 (1) The Fair and Accurate Credit Transactions
9 Act (commonly referred to as “FACTA”) was en-
10 acted into law in 2003 and 1 of the purposes of such
11 Act is to prevent criminals from obtaining access to
12 consumers’ private financial and credit information
13 in order to reduce identity theft and credit card
14 fraud.

15 (2) As part of that law, the Congress enacted
16 a requirement, through an amendment to the Fair
17 Credit Reporting Act, that no person that accepts
18 credit cards or debit cards for the transaction of
19 business shall print more than the last 5 digits of
20 the card number or the expiration date upon any re-
21 ceipt provided to the card holder at the point of the
22 sale or transaction.

23 (3) Many merchants understood that this re-
24 quirement would be satisfied by truncating the ac-
25 count number down to the last 5 digits based in part

1 on the language of the provision as well as the pub-
2 licity in the aftermath of the passage of the law.

3 (4) Almost immediately after the deadline for
4 compliance passed, hundreds of lawsuits were filed
5 alleging that the failure to remove the expiration
6 date was a willful violation of the Fair Credit Re-
7 porting Act even where the account number was
8 properly truncated.

9 (5) None of these lawsuits contained an allega-
10 tion of harm to any consumer's identity.

11 (6) Experts in the field agree that proper trun-
12 cation of the card number, by itself as required by
13 the amendment made by the Fair and Accurate
14 Credit Transactions Act, regardless of the inclusion
15 of the expiration date, prevents a potential fraudster
16 from perpetrating identity theft or credit card fraud.

17 (7) Despite repeatedly being denied class cer-
18 tification, the continued appealing and filing of these
19 lawsuits represents a significant burden on the hun-
20 dreds of companies that have been sued and could
21 well raise prices to consumers without corresponding
22 consumer protection benefit.

23 (b) PURPOSE.—The purpose of this Act is to ensure
24 that consumers suffering from any actual harm to their
25 credit or identity are protected while simultaneously lim-

1 iting abusive lawsuits that do not protect consumers but
2 only result in increased cost to business and potentially
3 increased prices to consumers.

4 **SEC. 3. CLARIFICATION OF WILLFUL NONCOMPLIANCE FOR**
5 **ACTIONS BEFORE THE DATE OF THE ENACT-**
6 **MENT OF THIS ACT.**

7 (a) IN GENERAL.—Section 616 of the Fair Credit
8 Reporting Act (15 U.S.C. 1681n) is amended by adding
9 at the end the following new subsection:

10 “(d) CLARIFICATION OF WILLFUL NONCOMPLI-
11 ANCE.—For the purposes of this section, any person who
12 printed an expiration date on any receipt provided to a
13 consumer cardholder at a point of sale or transaction be-
14 tween December 4, 2004, and the date of the enactment
15 of this subsection but otherwise complied with the require-
16 ments of section 605(g) for such receipt shall not be in
17 willful noncompliance with section 605(g) by reason of
18 printing such expiration date on the receipt.”.

19 (b) SCOPE OF APPLICATION.—The amendment made
20 by subsection (a) shall apply to any action, other than an
21 action which has become final, that is brought for a viola-
22 tion of 605(g) of the Fair Credit Reporting Act to which
23 such amendment applies without regard to whether such

- 1 action is brought before or after the date of the enactment
- 2 of this Act.

Passed the House of Representatives May 13, 2008.

Attest: LORRAINE C. MILLER,
Clerk.